



Department of Justice

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**DUPONT DOW ELASTOMERS TO PLEAD GUILTY AND PAY \$84 MILLION FINE
FOR PARTICIPATING IN A SYNTHETIC RUBBER CARTEL**

***Rubber Cases Have Yielded More Than \$200 Million
in Criminal Fines, To Date***

WASHINGTON, D.C.— DuPont Dow Elastomers L.L.C. has agreed to plead guilty and pay an \$84 million criminal fine for participating in an international conspiracy to fix the prices of synthetic rubber which is used in a variety of products including tires, adhesives, coated fabrics, furniture, and shoes, the Department of Justice announced today.

Approximately \$350 million of the rubber, polychloroprene, also known as chloroprene rubber, is sold annually in the United States. DuPont Dow Elastomers sells polychloroprene rubber under its neoprene brand name. Today's charge is the first in an ongoing investigation of price fixing in the polychloroprene industry.

In a felony case filed in U.S. District Court in San Francisco, DuPont Dow Elastomers, a Delaware company formed in 1996 by E.I. du Pont de Nemours & Company and The Dow Chemical Company, was charged with conspiring with its competitors to fix the price of polychloroprene rubber sold in the United States and elsewhere from August 1999 to April 2002. Under the plea agreement, which must be approved by the court, DuPont Dow Elastomers agreed to assist the government in its ongoing polychloroprene rubber investigation.

"Today's plea agreement represents the Department's ongoing efforts to protect consumers from international price-fixing cartels," said R. Hewitt Pate, Assistant Attorney

General in charge of the Department's Antitrust Division. "These types of cartels harm millions of American consumers, and companies that participate in them face great risks of being caught and punished."

DuPont Dow Elastomers is charged with carrying out the conspiracy with its co-conspirators by:

- Participating in conversations and meetings to discuss prices of polychloroprene rubber to be sold in the United States and elsewhere;
- Agreeing, during those conversations and meetings, to fix prices of polychloroprene rubber to be sold in the United States and elsewhere;
- Participating in conversations and attending meetings concerning implementation of and adherence to the agreements reached;
- Issuing price announcements and price quotations in accordance with the agreements reached; and
- Exchanging information on the sale of polychloroprene rubber in the United States and elsewhere.

"This case follows in a line of cases filed within the last year in various rubber-related industries such as rubber chemicals and NBR, another synthetic rubber," said Scott Hammond, the Antitrust Division's Acting Deputy Assistant Attorney General for Criminal Enforcement. "To date, these cases have yielded more than \$200 million in fines. The company charged today will provide valuable assistance in our continuing investigation of the polychloroprene rubber industry."

DuPont Dow Elastomers was charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals for violations occurring before June 2004. The maximum fine may be increased to twice the gain the conspirators derived from the

crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges are the result of an ongoing criminal investigation being conducted by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigations in San Francisco.

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